



House of Representatives

General Assembly

File No. 316

January Session, 2011

Substitute House Bill No. 6235

House of Representatives, March 31, 2011

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE STANDARD FORM OF FIRE INSURANCE POLICY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-307 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2011*):

3 Except as provided in section 38a-307a, the standard form of fire
4 insurance policy of the state of Connecticut, with permission to
5 substitute for the word "Company" a more accurate descriptive term of
6 the type of insurer, shall be as follows:

7 [Space for insertion of name of company or companies issuing the
8 policy and other matter permitted to be stated at the head of the
9 policy.]

10 [Space for listing amounts of insurance, rates and premiums for the
11 basic coverages insured under the standard form of policy and for
12 additional coverages or perils insured under endorsements attached.]

T1 In Consideration of the Provisions and Stipulations
T2 Herein or Added Hereto
T3 AND OF DOLLARS PREMIUM
T4
T5 this company, for the term } from the day of 20.. { at noon,
T6 } } Standard Time, at
T7 of } to the day of 20.. { location of
T8 to an amount not exceeding Dollars,
T9 does insure

13 and legal representatives, to the extent of the actual cash value of the
14 property at the time of loss, but not exceeding the amount which it
15 would cost to repair or replace the property with material of like kind
16 and quality within a reasonable time after such loss, without allowance
17 for any increased cost of repair or reconstruction by reason of any
18 ordinance or law regulating construction or repair, and without
19 compensation for loss resulting from interruption of business or
20 manufacture, nor in any event for more than the interest of the
21 insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY
22 REMOVAL FROM PREMISES ENDANGERED BY THE PERILS
23 INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER
24 PROVIDED, to the property described hereinafter while located or
25 contained as described in this policy, or pro rata for five days at each
26 proper place to which any of the property shall necessarily be removed
27 for preservation from the perils insured against in this policy, but not
28 elsewhere.

29 Assignment of this policy shall not be valid except with the written
30 consent of this Company.

31 This policy is made and accepted subject to the foregoing provisions
32 and stipulations and those hereinafter stated, which are hereby made a
33 part of this policy, together with such other provisions, stipulations
34 and agreements as may be added hereto, as provided in this policy.

35 In Witness Whereof, this Company has executed and attested these

36 presents.

37 (Secretary).

38 (President).

39 Concealment, fraud. This entire policy shall be void if, whether
40 before or after a loss, the insured has wilfully concealed or
41 misrepresented any material fact or circumstance concerning this
42 insurance or the subject thereof, or the interest of the insured therein,
43 or in case of any fraud or false swearing by the insured relating
44 thereto.

45 Uninsurable and excepted property. This policy shall not cover
46 accounts, bills, currency, deeds, evidences of debt, money or securities;
47 nor, unless specifically named hereon in writing, bullion or
48 manuscripts.

49 Perils not included. This Company shall not be liable for loss by fire
50 or other perils insured against in this policy caused, directly or
51 indirectly, by: (a) Enemy attack by armed forces, including action
52 taken by military, naval or air forces in resisting an actual or an
53 immediately impending enemy attack; (b) invasion; (c) insurrection;
54 (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order
55 of any civil authority except acts of destruction at the time of and for
56 the purpose of preventing the spread of fire, provided that such fire
57 did not originate from any of the perils excluded by this policy; (i)
58 neglect of the insured to use all reasonable means to save and preserve
59 the property at and after a loss, or when the property is endangered by
60 fire in neighboring premises; (j) nor shall this Company be liable for
61 loss by theft.

62 Other Insurance. Other insurance may be prohibited or the amount
63 of insurance may be limited by endorsement attached hereto.

64 Conditions suspending or restricting insurance. Unless otherwise
65 provided in writing added hereto this Company shall not be liable for
66 loss occurring (a) while the hazard is increased by any means within

67 the control or knowledge of the insured; or (b) while a described
68 building, whether intended for occupancy by owner or tenant, is
69 vacant or unoccupied beyond a period of sixty consecutive days; or (c)
70 as a result of explosion or riot, unless fire ensue, and in that event for
71 loss by fire only.

72 Other perils or subjects. Any other peril to be insured against or
73 subject of insurance to be covered in this policy shall be by
74 endorsement in writing hereon or added hereto.

75 Added provisions. The extent of the application of insurance under
76 this policy and of the contribution to be made by this Company in case
77 of loss, and any other provision or agreement not inconsistent with the
78 provisions of this policy, may be provided for in writing added hereto,
79 but no provision may be waived except such as by the terms of this
80 policy is subject to change.

81 Waiver provisions. No permission affecting this insurance shall
82 exist, or waiver of any provision be valid, unless granted herein or
83 expressed in writing added hereto. No provision, stipulation or
84 forfeiture shall be held to be waived by any requirement or proceeding
85 on the part of this Company relating to appraisal or to any
86 examination provided for herein.

87 Cancellation of policy. This policy shall be cancelled at any time at
88 the request of the insured, in which case this Company shall, upon
89 demand and surrender of this policy, refund the excess of paid
90 premium above the customary short rates for the expired time. This
91 policy may be cancelled at any time by this Company by giving to the
92 insured and any third party designated pursuant to section 38a-323a, a
93 thirty days' written notice of cancellation accompanied by the reason
94 therefor with or without tender of the excess of paid premium above
95 the pro rata premium for the expired time, which excess, if not
96 tendered, shall be refunded on demand. Notice of cancellation shall
97 state that said excess premium (if not tendered) will be refunded on
98 demand. Where cancellation is for nonpayment of premium at least ten
99 days' written notice of cancellation accompanied by the reason therefor

100 shall be given.

101 Mortgagee interests and obligations. If loss hereunder is made
102 payable, in whole or in part, to a designated mortgagee not named
103 herein as the insured, such interest in this policy may be cancelled by
104 giving to such mortgagee a ten days' written notice of cancellation.

105 If the insured fails to render proof of loss such mortgagee, upon
106 notice, shall render proof of loss in the form herein specified within
107 sixty (60) days thereafter and shall be subject to the provisions hereof
108 relating to appraisal and time of payment and of bringing suit. If this
109 Company shall claim that no liability existed as the mortgagor or
110 owner, it shall, to the extent of payment of loss to the mortgagee, be
111 subrogated to all the mortgagee's rights of recovery, but without
112 impairing mortgagee's right to sue; or it may pay off the mortgage debt
113 and require an assignment thereof and of the mortgage. Other
114 provisions relating to the interests and obligations of such mortgagee
115 may be added hereto by agreement in writing.

116 Pro rata liability. This Company shall not be liable for a greater
117 proportion of any loss than the amount hereby insured shall bear to
118 the whole insurance covering the property against the peril involved,
119 whether collectible or not.

120 Requirements in case loss occurs. The insured shall give immediate
121 written notice to this Company of any loss, protect the property from
122 further damage, forthwith separate the damaged and undamaged
123 personal property, put it in the best possible order, furnish a complete
124 inventory of the destroyed, damaged and undamaged property,
125 showing in detail quantities, costs, actual cash value and amount of
126 loss claims; [AND WITHIN SIXTY DAYS AFTER THE LOSS, UNLESS
127 SUCH TIME IS EXTENDED IN WRITING BY THIS COMPANY, THE
128 INSURED SHALL RENDER TO THIS COMPANY A PROOF OF
129 LOSS] and within sixty days after the loss, unless such time is
130 extended in writing by this company, the insured shall render to this
131 company a proof of loss, signed and sworn to by the insured, stating
132 the knowledge and belief of the insured as to the following: The time

133 and origin of the loss, the interest of the insured and of all others in the
134 property, the actual cash value of each item thereof and the amount of
135 loss thereto, all encumbrances thereon, all other contracts of insurance,
136 whether valid or not, covering any of said property, any changes in the
137 title, use, occupation, location, possession or exposures of said
138 property since the issuing of this policy, by whom and for what
139 purpose any building herein described and the several parts thereof
140 were occupied at the time of loss and whether or not it then stood on
141 leased ground, and shall furnish a copy of all the descriptions and
142 schedules in all policies and, if required, verified plans and
143 specification of any building, fixtures or machinery destroyed or
144 damaged. The insured, as often as may be reasonably required, shall
145 exhibit to any person designated by this Company all that remains of
146 any property herein described, and submit to examinations under oath
147 by any person named by this Company, and subscribe the same; and,
148 as often as may be reasonably required, shall produce for examination
149 all books of account, bills, invoices and other vouchers, or certified
150 copies thereof if originals be lost, at such reasonable time and place as
151 may be designated by this Company or its representative, and shall
152 permit extracts and copies thereof to be made.

153 Appraisal. In case the insured and this Company shall fail to agree
154 as to the actual cash value or the amount of loss, then, on the written
155 demand of either, each shall select a competent and disinterested
156 appraiser and notify the other of the appraiser selected within twenty
157 days of such demand. The appraisers shall first select a competent and
158 disinterested umpire; and failing for fifteen days to agree upon such
159 umpire, then, on request of the insured or this Company, such umpire
160 shall be selected by a judge of a court of record in this state in which
161 the property covered is located. The appraisers shall then appraise the
162 loss, stating separately actual cash value and loss to each item; and,
163 failing to agree, shall submit their differences, only, to the umpire. An
164 award in writing, so itemized, of any two when filed with this
165 Company shall determine the amount of actual cash value and loss.
166 Each appraiser shall be paid by the party selecting him and the
167 expenses of appraisal and umpire shall be paid by the parties equally.

168 Company's options. It shall be optional with this Company to take
169 all, or any part, of the property at the agreed or appraised value, and
170 also to repair, rebuild or replace the property destroyed or damaged
171 with other of like kind and quality within a reasonable time, on giving
172 notice of its intention so to do within thirty days after the receipt of the
173 proof of loss herein required.

174 Abandonment. There can be no abandonment to this Company of
175 any property.

176 When loss payable. The amount of loss for which this Company
177 may be liable shall be payable thirty days after proof of loss, as herein
178 provided, is received by this Company and ascertainment of the loss is
179 made either by agreement between the insured and this Company
180 expressed in writing or by the filing with this Company of an award as
181 herein provided. This Company and the insured may agree in writing
182 to a partial payment of the amount of loss as an advance payment.
183 Any advance payment shall be credited against the total amount of
184 loss due to the insured. An advance payment shall not affect the
185 requirement of this Company to pay the total amount of loss not later
186 than thirty days after proof of loss.

187 Suit. No suit or action on this policy for the recovery of any claim
188 shall be sustainable in any court of law or equity unless all the
189 requirements of this policy shall have been complied with, and unless
190 commenced within eighteen months next after inception of the loss.

191 Subrogation. This Company may require from the insured an
192 assignment of all right of recovery against any party for loss to the
193 extent that payment therefor is made by this Company.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	October 1, 2011	38a-307
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INS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

This bill has no fiscal impact to the state or municipalities as it concerns the standard forms for private fire insurance policies.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis

sHB 6235

***AN ACT CONCERNING THE STANDARD FORM OF FIRE
INSURANCE POLICY.***

SUMMARY:

This bill makes a technical change in the insurance statute that outlines the standard fire insurance policy.

EFFECTIVE DATE: October 1, 2011

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 19 Nay 1 (03/15/2011)